



# House of Representatives

General Assembly

**File No. 749**

*January Session, 2003*

House Resolution No. 30

*House of Representatives, May 21, 2003*

The House Committee on Appropriations reported through REP. DYSON of the 94th Dist., Chairperson of the Committee on the part of the House, that the resolution ought to be adopted.

**RESOLUTION PROPOSING APPROVAL OF A MEMORANDUM OF AGREEMENT BETWEEN THE BOARD FOR STATE ACADEMIC AWARDS, CHARTER OAK STATE COLLEGE AND CONNECTICUT DISTANCE LEARNING CONSORTIUM AND CHARTER OAK STATE COLLEGE PROFESSIONAL BARGAINING UNIT, AFSCME, LOCAL 1214 OF CONNECTICUT COUNCIL 4, AFL-CIO.**

Resolved by this House:

- 1 That the memorandum of agreement between the Board for State
- 2 Academic Awards, Charter Oak State College and Connecticut
- 3 Distance Learning Consortium and Charter Oak State College
- 4 Professional Bargaining Unit, AFSCME Local 1214 of Connecticut
- 5 Council 4, AFL-CIO, signed by the parties May 2, 2003, and submitted
- 6 to this assembly May 2, 2003, for approval, as provided in subsection
- 7 (b) of section 5-278 of the general statutes, is approved.

**APP**      *House Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

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### **OFA Fiscal Note**

#### **State Impact:**

<b>Fund-Type</b>	<b>Agency Affected</b>	<b>FY 04 \$</b>	<b>FY 05 \$</b>	<b>FY 06 \$</b>
All Funds - Cost Savings	Charter Oak College	85,373	118,245	95,261
GF - Cost Savings	Charter Oak College	46,471	63,072	50,812

Note: GF=General Fund

**Municipal Impact:** None

#### **Explanation**

This Memorandum of Agreement (MOA) for the Charter Oak State College Professional Employees' bargaining unit is submitted for approval. Costs shown above are for the 35 full-time All Funds employees covered by the original contract, including 17 employees funded by the General Fund. The estimated FY 07 cost savings of the agreement is \$91,599 for All Funds, which includes \$48,859 for the General Fund. Details of the costs are attached.

This agreement amends the existing collective bargaining agreement, which is effective through June 30, 2005, and adds two years to the original contract. This agreement does not impact FY 03 costs, however FY 04 salaries are frozen at FY 03 levels, and FY 04 and FY 05 increases are deferred one year each. The MOA also includes a wage reopener for FY 07.

Layoffs for the remainder of the contract shall be limited to personnel reductions necessitated by programmatic reductions enacted

by the legislature or for changes in the board's operations resulting from substantial enrollment declines, elimination of participation in the federal financial aid program, or substantial reduction in Connecticut Distance Learning Consortium client revenues. This provision does not apply to temporary or durational positions, or to contract or grant-funded positions when funding is terminated.

### Detail of Cost Estimates

#### All Funds

##### Cost of Original Contract and Assumed Reopener

	FY 04[1]	FY 05[1]	FY 06[1]	FY 07[1]	Annualized FY 07[1]
FY 03 Professional Development, FY 04 and FY 05 Total Contract Items	\$ 79,448	\$ 189,291	\$ 217,447	\$ 217,447	\$ 217,447
Assume 2% General Wage Increase Effective 6/24/05 (25 pay periods), and 2% Annual Increments, Effective 12/23/05 (12 pay periods) [2]			60,334	85,090	85,090
<b>Total - Original Contract and Assumed Reopener</b>	<b>\$ 79,448</b>	<b>\$ 189,291</b>	<b>\$ 277,781</b>	<b>\$ 302,537</b>	<b>\$ 302,537</b>

##### Cost of Memorandum of Agreement

	FY 04[1]	FY 05[1]	FY 06[1]	FY 07[1]	Annualized FY 07[1]
<b>First Year (FY 04)</b>					
No General Wage Increase, Annual Increments or Merit Payments	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total First Year</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Second Year (FY 05) [3]</b>					
3% General Wage Increase Effective 6/25/04 (25 pay periods)		\$ 54,659	\$ 56,846	\$ 56,846	\$ 56,846
Impact of General Wage Increase on Longevity		1,057	1,057	1,057	1,057
2.65% Annual Increments Effective 12/24/04 (12 pay periods)		21,474	46,526	46,526	46,526
Impact of General Wage Increase on Merit Pay		258	258	258	258

					Annualized
	FY 04[1]	FY 05[1]	FY 06[1]	FY 07[1]	FY 07[1]
Increase in Professional Development Deferred from FY 03		2,000	2,000	2,000	2,000
<b>Total Second Year</b>		<b>\$ 79,448</b>	<b>\$ 106,687</b>	<b>\$ 106,687</b>	<b>\$ 106,687</b>
<b>Third Year (FY 06) [3]</b>					
3% General Wage Increase Effective 6/24/05 (25 pay periods)			\$ 57,641	\$ 59,947	\$ 59,947
Impact of General Wage Increase on Longevity			1,035	1,035	1,035
2.65% Annual Increments Effective 12/23/05 (12 pay periods)			22,157	48,008	48,008
Impact of General Wage Increase on Merit Pay			270	270	270
Increase in Professional Development Deferred from FY 05			1,500	1,500	1,500
<b>Total Third Year</b>			<b>\$ 82,603</b>	<b>\$ 110,760</b>	<b>\$ 110,760</b>
<b>Fourth Year (FY 07)</b>					
Reopener for General Wage Increase, Annual Increments, and Merit Payments				Reopener	Reopener
<b>Total Fourth Year</b>				<b>\$ -</b>	<b>\$ -</b>
<b>Subtotal MOA Costs</b>	<b>\$ -</b>	<b>\$ 79,448</b>	<b>\$ 189,291</b>	<b>\$ 217,448</b>	<b>\$ 217,448</b>
<b>Subtotal MOA Savings from Original Contract</b>	<b>\$ (79,448)</b>	<b>\$ (109,842)</b>	<b>\$ (88,491)</b>	<b>\$ (85,090)</b>	<b>\$ (85,090)</b>
Social Security Savings [4]	(5,925)	(8,403)	(6,770)	(6,509)	(6,509)
<b>Total Savings</b>	<b>\$ (85,373)</b>	<b>\$ (118,245)</b>	<b>\$ (95,261)</b>	<b>\$ (91,599)</b>	<b>\$ (91,599)</b>
<b>Estimated General Fund Savings</b>	<b>\$ (46,471)</b>	<b>\$ (63,072)</b>	<b>\$ (50,812)</b>	<b>\$ (48,859)</b>	<b>\$ (48,859)</b>

[1] This cost analysis is based on annual costs equaling the payment of 26 payrolls. PA 99-1 of the June Special Session authorizes the development of the 2003-2005 state budget on a GAAP (Generally Accepted Accounting Principles) basis. This change will basically add one-tenth of a payroll to annual costs beginning in FY 04.

[2] The original contract expires on June 30, 2005. The MOA extends

the contract two years. A 2% General Wage Increase effective June 24, 2005 (25 pay periods), and 2% Annual Increments effective December 23, 2005 (12 pay periods) is assumed for FY 06. This cost estimate does not include fiscal impact of a FY 07 wage reopener.

[3] The cost estimates for this MOA are based on costs provided in the fiscal note for the original contract.

[4] Wage increases directly impact Social Security contributions. Due to the actuarial valuation method used to cost pension plan contributions, the impact on pension costs is delayed until the next valuation.

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**OFA Bill Analysis**

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**SUMMARY:**

A separate analysis is not prepared since the fiscal note contains much of the same information that would go into a separate analysis.

**COMMITTEE ACTION**

Appropriations Committee

House Favorable Report

Yea 34      Nay 0